

# CONNECT

F I N A N C I A L

**An introduction to the Connect Financial  
borrow, save, earn & trade ecosystem**

Version 1.0

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# Executive Summary

**Connect Financial is an ecosystem of financial products that allows users to use their fiat and digital assets to borrow, save, trade & earn within a single platform.**

## A changing tide

In the last few years, crypto, blockchain technology and decentralized finance (DeFi) have issued in a new era of financial innovation decoupled from the traditional banking system.

While crypto-natives have been at the vanguard of this transition for some time, 2022 has seen a new contingent of traditionally conservative investors enter the market and building positions in crypto as an alternative asset class.

Bitcoin and Ethereum, the two largest crypto projects, have hit the primetime and are now well on their way towards becoming mainstream.

## The hurdles to clear

Despite increasing adoption, crypto has significant obstacles to overcome.

- The entire industry is fragmented, confusing and has a steep learning curve.
- Despite early promise from several projects, crypto is still years away from being a viable payment option for day-to-day purchases.
- For better or for worse, the world still runs on fiat currency. This leaves the primary use case for most crypto as a speculative asset class, with relatively few options for users to move between fiat and crypto depending on their needs.

While some projects have made efforts to allow users to make small daily transactions with crypto, the current offerings are restrictive and have a range of issues. For example, some pre-loaded crypto cards allow users to sell coins at the point of purchase. While this is a step in the right direction, these debit-type cards are not accepted in all locations and require users to sell the underlying asset.

## Connect Financial is rethinking banking.

Connect Financial is a complete ecosystem of financial products that aims to solve several key painpoints for its users, most notably:

- A true crypto-backed credit card where users access a line of credit by adding collateral to a linked wallet.
- The ability to earn passive interest and staking rewards without the need for significant capital or technical know-how.
- The tools needed to move between crypto and fiat seamlessly within a range of wallets designed to help you spend, earn, stake transact and store
- On ramp into crypto from cash and then buy, sell and trade crypto within the platform

Connect Financial is positioned to bridge the gap between crypto, fiat and DeFi with a range of innovative financial products.

Connect your world, your life, your crypto.



1

CHAPTER 1

# **The Connect Financial Ecosystem**

# Ecosystem overview

## Core features

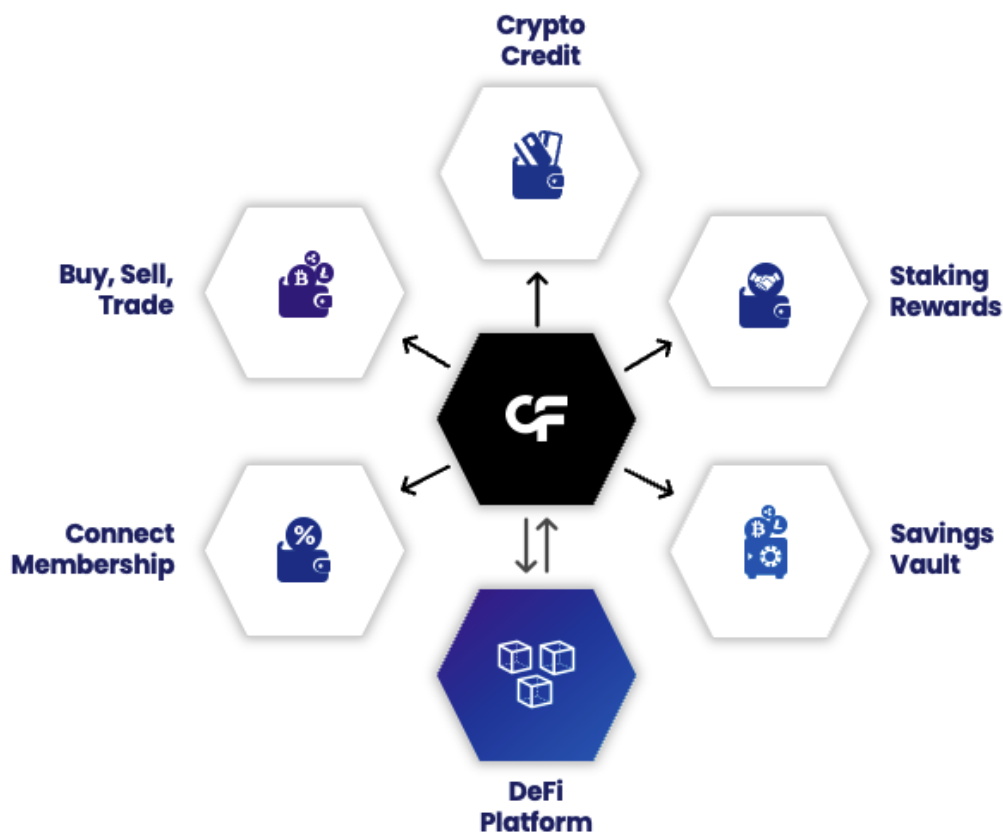
The Connect Financial ecosystem aims to provide a simple to use platform that mirrors the familiar experience of traditional finance, specifically for credit cards, high-interest savings accounts, and loans.

As a Connect Financial customer, you can buy or sell cryptocurrencies, store crypto securely in a range of wallets, access a line of credit using digital assets as collateral, take out a crypto loan, and stake Connect Financial tokens to access membership benefits and passive rewards.

The Connect Financial platform allows you to:

- Apply for a line of credit without a credit check
- Stake crypto to support network protocols in exchange for rewards
- Monitor your spending on an online portal from any device
- Add crypto or fiat to your wallet through buy and sell functionality
- Trade crypto quickly and effortlessly
- Apply for crypto-based loans
- Securely store your crypto in a long term savings vault.
- Enjoy fee-free ATM withdrawals
- Access VIP rewards programs

## The Connect Financial ecosystem



# Core principles

The Connect Financial team have designed the platform with a few core principles in mind. These principles have allowed us to build a platform that provides powerful features for experienced users while still being accessible to users joining the crypto revolution today.



## Usability

From application to their first purchase, customers should enjoy a seamless experience that is intuitive and familiar. For someone new to cryptocurrencies, the platform should feel like a standard fiat transaction to minimize entry barriers.



## Flexibility

Customers should be able to tailor the platform to meet their individual financial needs. Connect Financial will offer a range of products within a flexible platform to its users.



## Control

Customers should be able to see what they are spending. Similar to fiat credit card dashboards, users should be able to track rewards, review their purchase history and monitor their card use.

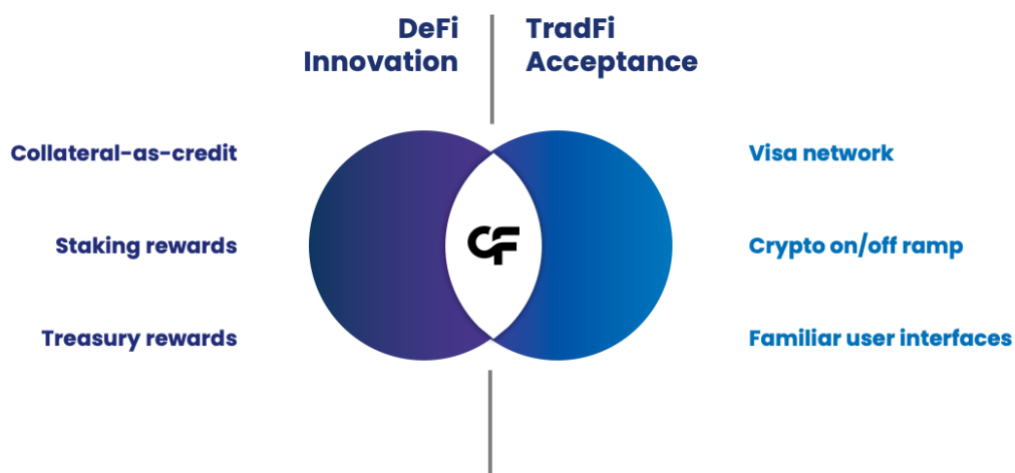


## Security

Data ownership and security are both critical to success and a key feature of blockchain technology. Customers should trust that every interaction was built with better-than-bank security in mind.

# Bridging the gap between DeFi & TradFi

Connect Financial is uniquely positioned to take advantage of the best of both DeFi and TradFi and offers our users a range of innovative solutions within a single product suite.



The explosion of decentralized finance in recent years has helped usher in a financial renaissance, allowing users to explore alternative approaches to managing their finances. Despite the exciting



innovations we've seen in this space, DeFi is in its infancy and struggles to compete with the recognition and convenience of traditional finance.

Connect Financial is positioned to bridge this gap, seamlessly integrating fiat, crypto and DeFi under a single suite of financial products.

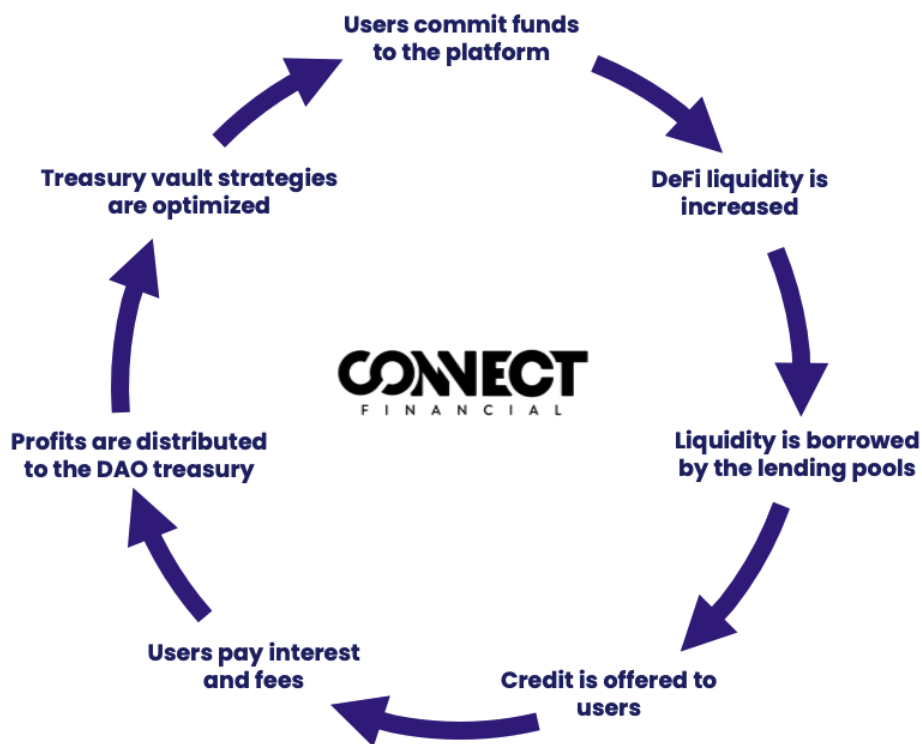
### DeFi innovation

### TradFi acceptance

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▪ Access the purchasing power of stored crypto without selling the underlying asset.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Spend wherever major credit cards are accepted.</li> </ul>   |
| <ul style="list-style-type: none"> <li>▪ Access compelling benefits and lower fees by purchasing and staking CNFI tokens.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Manage collateral, savings and credit card transactions in a familiar online dashboard.</li> </ul> |
| <ul style="list-style-type: none"> <li>▪ Receive staking rewards by committing tokens for fixed time periods.</li> </ul>               | <ul style="list-style-type: none"> <li>▪ Manage fiat currency and crypto within a range of flexible wallets.</li> </ul>                     |

## The Connect Financial flywheel

The Connect Financial ecosystem uses DeFi protocols to fund lending pools that are in turn offered to users. The result is a flywheel that continually strengthens the company's performance, rewards users and improves our product offering.







# 2

CHAPTER 2

**CNFI:**

**The Connect  
Financial Token**

# CNFI: Connect Financial Token

The Connect Financial (CNFI) utility token is the engine of the ecosystem. When users stake CNFI tokens, they are able to take advantage of exclusive benefits, lower fees and higher limits when they borrow, trade, stake or save on the Connect Financial platform.

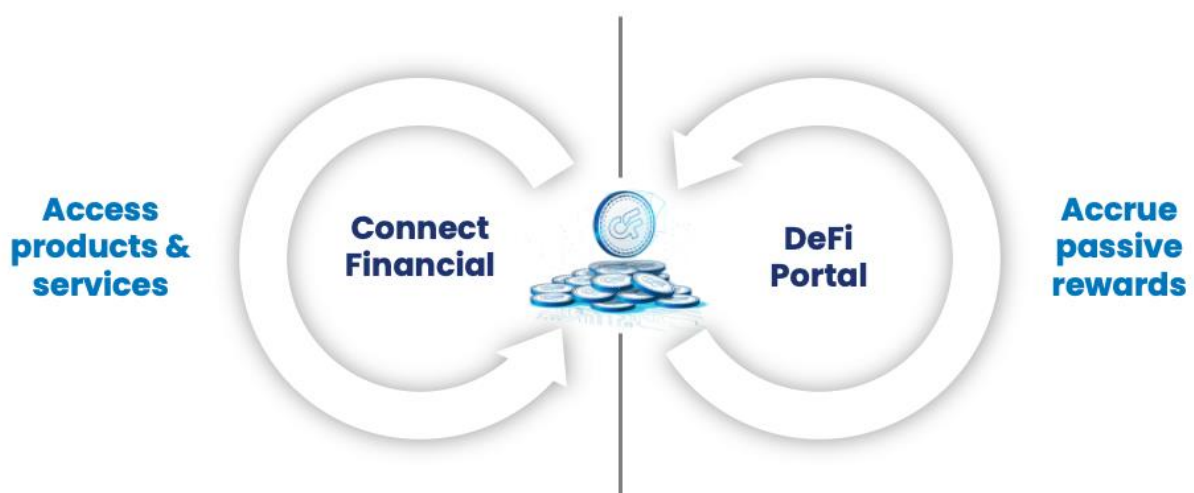


As with all other ERC20 tokens, CNFI is built on the Ethereum blockchain. Through staking CNFI, smart contracts are executed that allow certain actions to take place automatically, without the use of an intermediary.

Staking is a way of earning rewards for holding CNFI tokens. The holding is done inside of a staking pool, which you can add CNFI to at any time.

There are three main applications for the CNFI token:

<b>Access to membership tiers</b>	<b>Provide liquidity for ecosystem services</b>	<b>Passive rewards &amp; treasury tokens</b>
When you stake CNFI, you become eligible to access account level benefits across the ecosystem, including access to credit card tiers.	Staking CNFI tokens is used in part to provide liquidity to the protocol and offer products and services back to its users.	Choosing to commit your tokens for a time-locked period makes you eligible to receive passive income and access to quarterly treasury rewards.



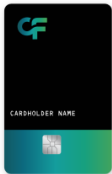
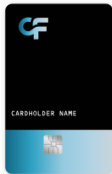



This section looks at unlocking card and account tiers using staked CNFI tokens. For more information about passive rewards, refer to Chapter 4 of this paper.

# Opening up a world of benefits

After creating a Connect Financial account, you can commit tokens at a USD equivalent value to qualify for one of five membership tiers, each with increasing benefits including additional rewards and lower fees.

By using a USD equivalent number of tokens, the cost of entry to the Connect Financial ecosystem remains sustainable and predictable for future users, as the token price is not a factor when staking.



MEMBERSHIP TIER	BASIC	SILVER	GOLD	PLATINUM	BLACK
<b>CNFI REQUIRED</b> (USD EQUIVALENT)	0	\$1,500	\$7,500	\$50,000	\$250,000
<b>ELIGIBLE BASE CARD TIER</b>					
<b>CREDIT INTEREST RATE</b> <sup>APR</sup>	14.9%	12.90%	10.90%	8.90%	7.90%
<b>CASHBACK REWARDS</b> (PAID IN CNFI ON ELIGIBLE PURCHASES)	0%	Up to 2%	Up to 3%	Up to 4%	Up to 5%
<b>ENTERTAINMENT CREDIT</b> (PAID IN CNFI ON ELIGIBLE SUBSCRIPTIONS)	\$0	\$0	\$15	\$50	\$100
<b>CONVERSION FEE</b> (BUY, SELL & SWAP CRYPTO)	1.50%	1.30%	1%	0.75%	0.50%

## Token metrics

Total supply	108,500,000
Circulating supply	25,000,000
Initial membership	25,000,000
Market liquidity pool	10,000,000
Advisor pool	8,500,000
Team lockup	10,000,000
Reward/Card lockup	20,000,000



# 3

CHAPTER 3

# Products & Solutions

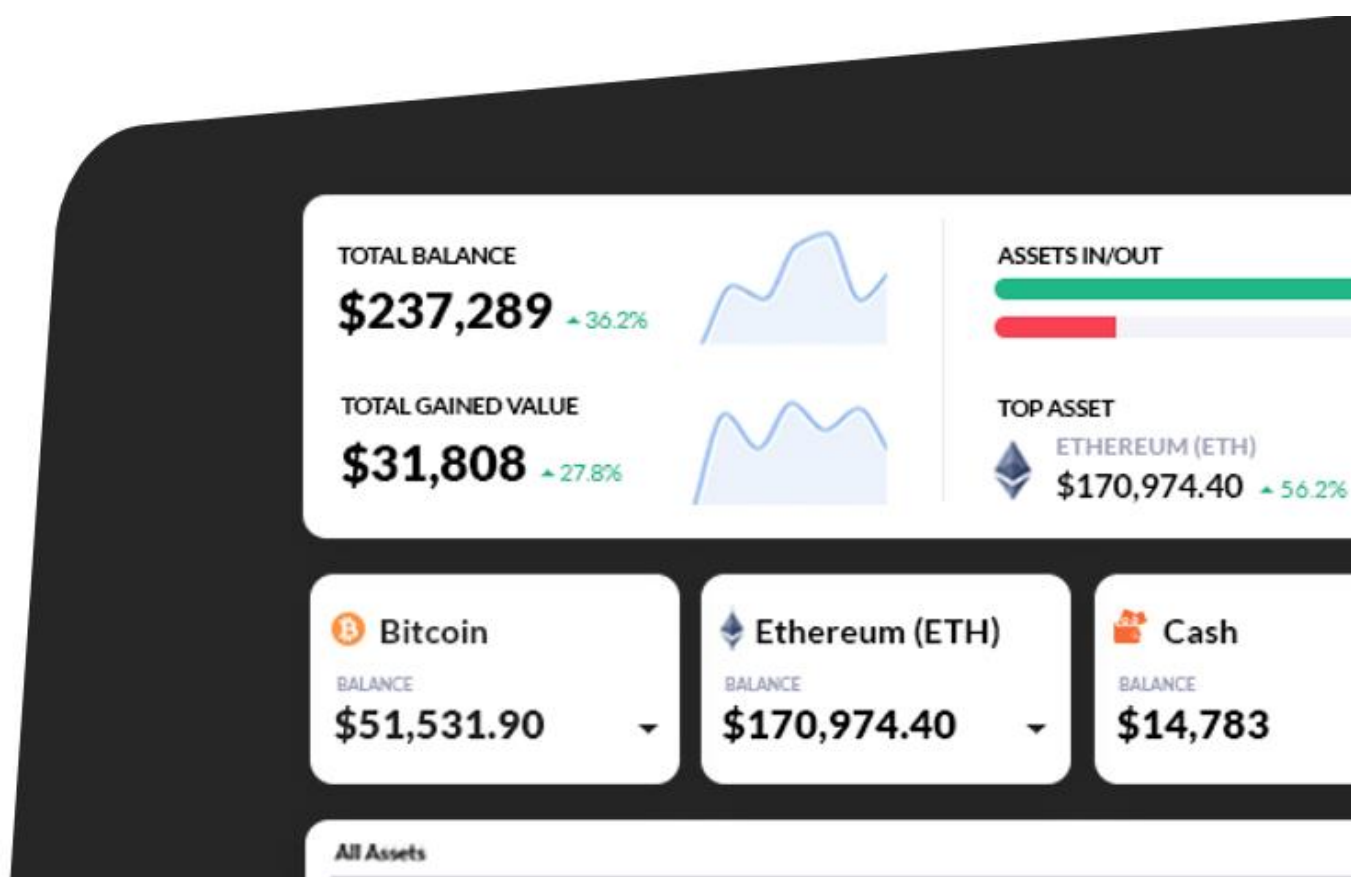
# Product overview

Connect Financial has five main product offerings, allowing users to borrow, earn, trade and save with fiat and digital assets. Users take advantage of these products by creating and funding wallets within the Connect Financial ecosystem.

## Wallets

Each wallet type has a specific function depending on what product you want to use. An account can have unlimited wallets, providing you with significant flexibility within the ecosystem.

Product	Description		Linked wallet type
Borrow	Use crypto and fiat currency as collateral to borrow against.	→	Collateral
Stake	Stake coins to participate in eligible crypto projects	→	Staking
Trade	Buy, sell and trade crypto and other digital assets.	→	General
Save	Store crypto in a secure offline vault, insured up to \$100M.	→	Savings Vault



## General Wallet



CREDIT / LOAN	<input type="checkbox"/>
EARN REWARDS	<input type="checkbox"/>
TRADING	<input checked="" type="checkbox"/>
INSURED	<input type="checkbox"/>

General wallets are used for buying, selling, and exchanging crypto and stablecoins. These wallets do not earn interest, but can be used to conveniently send and receive cash and crypto.

General wallets can also send and receive fiat to and from bank accounts almost anywhere on earth, providing a low cost and convenient crypto on-ramp.

## Collateral wallet



CREDIT / LOAN	<input checked="" type="checkbox"/>
EARN REWARDS	<input type="checkbox"/>
TRADING	<input checked="" type="checkbox"/>
INSURED	<input type="checkbox"/>

When crypto or stablecoins are held in a collateral wallet, you can apply to receive a line of credit on linked credit cards, or apply for a loan.

Whenever you apply for a new credit card, or you want to borrow against your crypto, a new collateral wallet is generated.

## Staking wallet



CREDIT / LOAN	<input type="checkbox"/>
EARN REWARDS	<input checked="" type="checkbox"/>
TRADING	<input checked="" type="checkbox"/>
INSURED	<input type="checkbox"/>

As well as committing tokens on the Connect Financial platform to earn passive CNFI, you can choose to support eligible crypto projects by locking up digital assets in the staking wallet in return for rewards.

For example, you may choose to contribute towards the security and efficiency of the ETH 2.0 network in exchange for regular compounding rewards.

## Savings vault



CREDIT / LOAN	<input type="checkbox"/>
EARN REWARDS	<input type="checkbox"/>
TRADING	<input type="checkbox"/>
INSURED	<input checked="" type="checkbox"/>

Balances held in a saving vault wallet are held in a highly secure, offline storage facility.

While we provide industry leading security measures across all of our wallets, savings vault wallets offer additional protections including insurance up to \$100M and provisions for estate planning and generational asset transfer.



# Crypto Credit Cards

The Connect Financial crypto credit card was designed to answer critical questions about how users access cryptocurrency today:

- How can the value of cryptocurrency be accessed without needing to sell the underlying asset?
- How can this value be spent for almost any transaction, almost anywhere in the world?



By allowing our users to access the spending power of their crypto by committing it as collateral, almost anyone can apply for a card without the need for complicated application processes or exposing their credit score. Further, the assets used as collateral never need to be sold – you can settle your monthly bill with fiat currency, stablecoins or a range of altcoins.

Connect Financial Crypto credit cards can be used at more than 46M locations in over 200 countries.

## Accessible credit for the invisible market

In America alone, at least 22% of the adult population are underbanked or unbanked<sup>[1]</sup>. Often called the “Invisible Credit Market”, these 63 million individuals have no access to traditional financial services or credit. Increasingly, this group includes Millennials, Gen Zers, and immigrants, who have a “thin-file” or “no-file” credit score. Because they don’t have multiple sources of credit – such as a car loan or mortgage, they are seen as risky. But many are creditworthy.

Unlike traditional sources of credit, we do not ask for credit scores or unnecessarily complicated applications. We also don’t ask you to liquidate your assets to transact with our cards. Furthermore, we offer several tiers so you can choose a credit card that make sense for your specific financial situation.

Our Connect Cards aren’t just another way of spending money. For millions of people, our platform can be a gateway to financial access.

## Today’s existing solutions

There are a number of existing solutions that offer their customers crypto cards. The fact is, other crypto “credit” cards are often *not* actual credit card options.

There are two main types of existing crypto cards in the market today, outside of Connect Financial:

### Prepaid debit cards

With most debit card solutions, you must either load their crypto holdings to a prepaid balance or convert your crypto to a separate token and load it on a card. In both scenarios, when the card is used,

coins or tokens are sold at the point of sale. Further, your jurisdiction may consider this point-of-sale liquidation a taxable event.

This solution is not a true credit card, rather it is a pay-as-you-go solution more similar to a preloaded gift card. Additionally, prepaid debit cards may not be accepted for a variety of common transactions including subscriptions, hotels or vehicle hire.

## Crypto rewards cards

Crypto rewards cards often offer 'cash-back' in the form of crypto on approved purchases as a reward. While cashback is a compelling benefit, you may have limited control over how you use these funds or what transactions are eligible for rewards.

Depending on the provider, you may need to go through a credit card application process to be eligible to receive an account.

## Credit secured by collateral

### The Connect Financial Card

Connect Financial provides a true credit card solution where your available credit is determined by your membership tier and the crypto you hold as collateral in your linked wallet. Similar to traditional fiat credit cards, we have an extensive rewards program and users have the ability to earn cashback on eligible transactions up to 5%.

### DeFi lending

Connect Financial is not a bank, and does not offer users a direct loan. Instead, funds are borrowed from decentralized lending pools, governed by the DAO and Treasury. To ensure sufficient liquidity, Connect Financial offers a buy-back program based on the user's estimated repayment, plus interest.



## Card Benefits

When you stake CNFI tokens and link your wallet to your Connect Financial account, you become eligible for a range of benefits that extend over your entire account (refer to Chapter 2 for more).

If you choose to sign up for a credit card, you will receive additional benefits depending on your selected card tier. After selecting a membership tier, you are eligible to create unlimited credit cards under a single account.

Your card tier is limited by your membership tier. In other words, if you have a Gold membership tier, you can add unlimited basic, silver or gold tier cards. To become eligible for a higher tier card, simply upgrade your membership by staking additional tokens.

The important thing to remember is that account level benefits apply over all of your cards and wallets, while credit card benefits are applied to each individual card on your account.

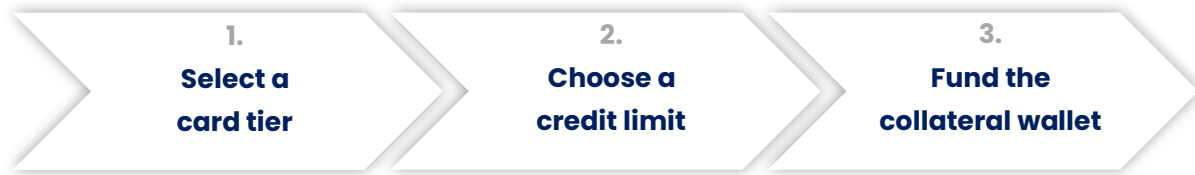


ELIGIBLE ACCOUNT TIER	BASIC	SILVER	GOLD	PLATINUM	BLACK
Monthly ATM Withdraw limits without fees (USD)	\$0	\$2,000	\$5,000	\$10,000	\$20,000
Transaction insurance (USD)	\$250	\$1,000	\$2,500	\$5,000	\$5,000
Metal cards	→	→	→		
Concierge	→	→	→		
Hotel perks	→	→	→		
Lounge pass	→	→	→	→	

## Applying for a card

After creating a Connect Financial account and verifying their identity, you will be invited to sign up for one or more cards.

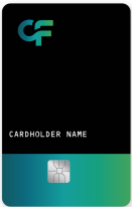
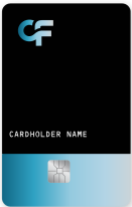
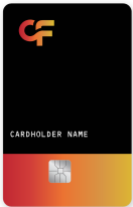


There are three main steps to this process:



### 1. Select a card tier

The primary card tier is based on the membership tier, which in turn is based on the value of staked CNFI tokens attached to the account holder.

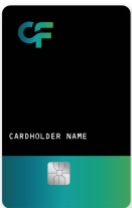
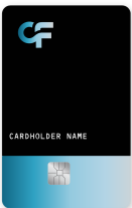
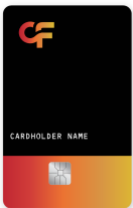


You may select any card that has the same or lower tier as your membership tier.

BASE CARD TIER					
MEMBERSHIP TIER	BASIC	SILVER	GOLD	PLATINUM	BLACK
CNFI REQUIRED FOR MEMBERSHIP TIER (USD EQUIVALENT)	0	\$1,500	\$7,500	\$50,000	\$250,000

### 2. Select a credit limit

Depending on your card tier, you can choose your own credit limit from \$500 to \$1,000,000.

Your available credit limit is based on each of the cards on your account.

ELIGIBLE CARD TIER					
	BASIC	SILVER	GOLD	PLATINUM	BLACK
Minimum credit limit (USD)	\$500	\$500	\$1,000	\$5,000	\$20,000
Maximum credit limit (USD)	\$5,000	\$20,000	\$50,000	\$250,000	\$1,000,000

### 3. Fund the collateral wallet

Once you have successfully signed up for a card, you will create a linked collateral wallet. When you add fiat, crypto or stablecoins to your wallet, you will receive a line of credit to use anywhere that accepts major credit cards, including ATMs.

You need to maintain sufficient collateral to support your credit limit:

Asset	Example	Loan to Value (LTV)	Equivalent USD amount required for \$1000 credit
Cryptocurrency	BTC, ETH, LTC	up to 50% LTV	\$2,000
Stablecoins	USDT, USDC	100% LTV	\$1,000
Fiat currency	\$USD	100% LTV	\$1,000

The image displays five credit card options with their respective features:

- CARD: BASIC**
  - Max. Credit Limit: \$5,000
  - Min. Credit Limit: \$500
  - Yield Experienced: Up to 6%
  - Transactional Insurance: \$250
  - ATM Withdraw Without Fees: \$0
- CARD: SILVER**
  - Max. Credit Limit: \$20,000
  - Min. Credit Limit: \$500
  - Yield Experienced: Up to 8%
  - Transactional Insurance: \$1,000
  - ATM Withdraw Without Fees: \$2,000
- CARD: GOLD**
  - Max. Credit Limit: \$50,000
  - Min. Credit Limit: \$1,000
  - Yield Experienced: Up to 9%
  - Transactional Insurance: \$2,500
  - ATM Withdraw Without Fees: \$5,000
- CARD: PLATINUM**
  - Max. Credit Limit: \$250,000
  - Min. Credit Limit: \$5,000
  - Yield Experienced: Up to 10%
  - Transactional Insurance: \$2,500
  - ATM Withdraw Without Fees: \$5,000
- CARD: BLACK**
  - Max. Credit Limit: \$1,000,000
  - Min. Credit Limit: \$20,000
  - Yield Experienced: Up to 12%
  - Transactional Insurance: \$2,500
  - ATM Withdraw Without Fees: \$5,000

## Credit card fees & interest rates



ELIGIBLE ACCOUNT TIER	BASIC	SILVER	GOLD	PLATINUM	BLACK
<b>Membership tier interest rates <sup>APR 1</sup></b>	14.9%	12.9%	10.9%	8.9%	7.9%
<b>Annual fee <sup>2</sup></b>	\$129	\$89	\$49	\$0	\$0
<b>Initial card fee + shipping</b>	\$49	\$29	\$0	\$0	\$0
<b>Replacement card fee + shipping <sup>3</sup></b>	\$50	\$50	\$50	\$0 / \$50	\$0 / \$50
<b>Late payment fee <sup>4</sup></b>	\$29	\$29	\$29	\$0 / \$29	\$0 / \$29
<b>ATM Withdrawal fees <sup>5</sup></b>	2.5%	2.5%	2.5%	2.5%	2.5%

<sup>1</sup> Interest rates are account wide, set at the level of your membership tier. Choosing a credit card tier different to your membership tier does not effect the interest rate.

<sup>2</sup> Platinum and Black \$0 annual fee is subject to usage levels, and a discretionary fee may be apply.

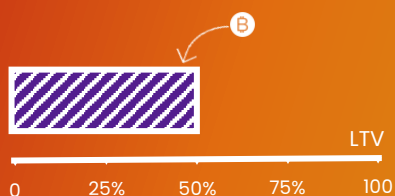
<sup>3</sup> Platinum and Black card holders can have one replacement card fee waived. Future replacement cards will be charged at the regular rate.

<sup>4</sup> Platinum and black card holders may have one late payment fee waived.

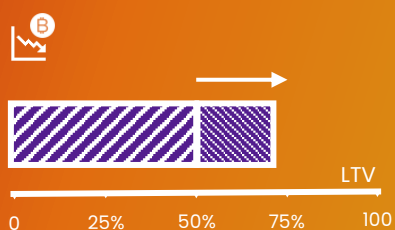
<sup>5</sup> ATM withdrawal fees are only charged once the fee-free ATM withdrawal limit has been reached. Some ATM providers may charge additional fees.

## Collateral liquidation

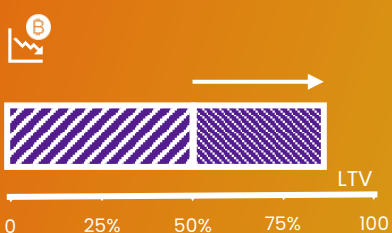
1. Collateral wallet is loaded with BTC to cover a 50% LTV loan



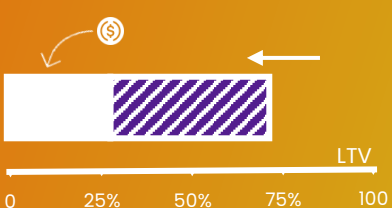
2. The market falls and BTC is worth less. LTV increases to 70%. You are encouraged to add more collateral.



3. The value of BTC continues to decline. LTV reaches ~83% and triggers a liquidation event.



4. BTC is sold for USDC to decrease the LTV to an acceptable range.



## Managing collateral

Cryptocurrencies can go through periods of volatility, and there may be times where your collateral balance needs to be adjusted. To ensure that you have sufficient collateral to cover your line of credit, Connect Financial may convert some or all of the crypto balance into stablecoins. This is considered an extraordinary event and only takes place in major downward market shifts.

As the market moves, we monitor the credit limit, collateral and charges against your account.

## Liquidation

If you apply for a credit card and choose to fund the collateral wallet with crypto (BTC, LTC, XRP, etc), you will start with ~50% loan-to-value (LTV). For example, \$20,000 of crypto is required for a \$10,000 card limit. Should the value of the crypto fall, and LTV crosses the 70% LTV mark, you will be encouraged to add more collateral to your collateral wallet. If the LTV crosses ~83%, crypto collateral will start to be liquidated to bring the collateral up to an acceptable LTV.

If you have multiple coins making up the collateral balance (e.g. BTC, ETH and LTC), we preferentially liquidate the assets most affected by a market downswing – preserving your most valuable assets.

## Rebalancing

If the digital asset that you used to fund the collateral wallet appreciates, the line of credit may become over-collateralized.

There are three ways that you can rebalance your collateral wallet:

1. Rebalance the collateral amount and send the additional crypto balance to another wallet.
2. Use the collateral to request a higher credit limit.
3. Use the additional crypto to pay the credit card bill.

When rebalancing a loan, a 90 day average of the value of the collateral asset is used to minimize daily fluctuations in price.

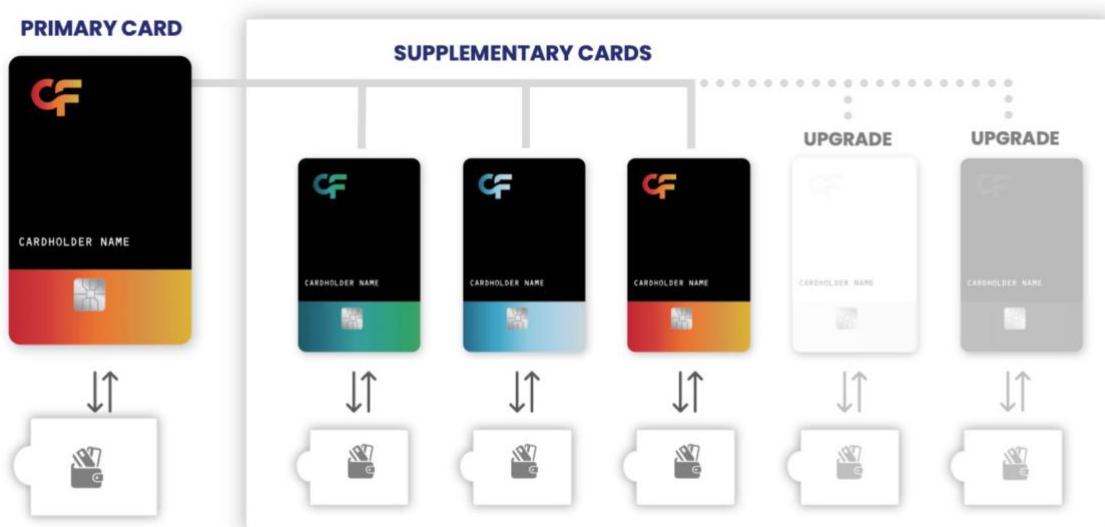


# Supplementary cards

Every Connect Financial account can have unlimited credit cards with linked collateral wallets.

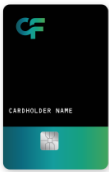
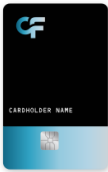
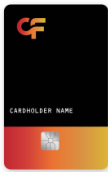


Your primary card can be any card tier, at the same or lower level as your membership tier. Your interest rate is set by your membership level and covers all cards on your account. You must always maintain the required level of staked CNFI tokens in order to continue to receive your membership level account benefits.

Alongside the primary card, additional supplementary cards can be added to the account. In the following example, a user has a gold primary card, so is eligible to create unlimited basic, silver or gold tiered supplementary cards. In order to be eligible for a platinum or black card tier, they will need to upgrade their membership tier by staking additional CNFI tokens.



## Additional staking requirements

Supplementary cards require additional CNFI to be staked, at a significantly reduced rate.

					
Card tier	BASIC	SILVER	GOLD	PLATINUM	BLACK
Membership tier sCNFI required (USD equivalent)	\$0	\$1,500	\$7,500	\$50,000	\$250,000
Supplementary card CNFI required <sup>1</sup> (USD equivalent)	-	USD \$375	USD \$1,875	USD \$12,500	USD \$62,500

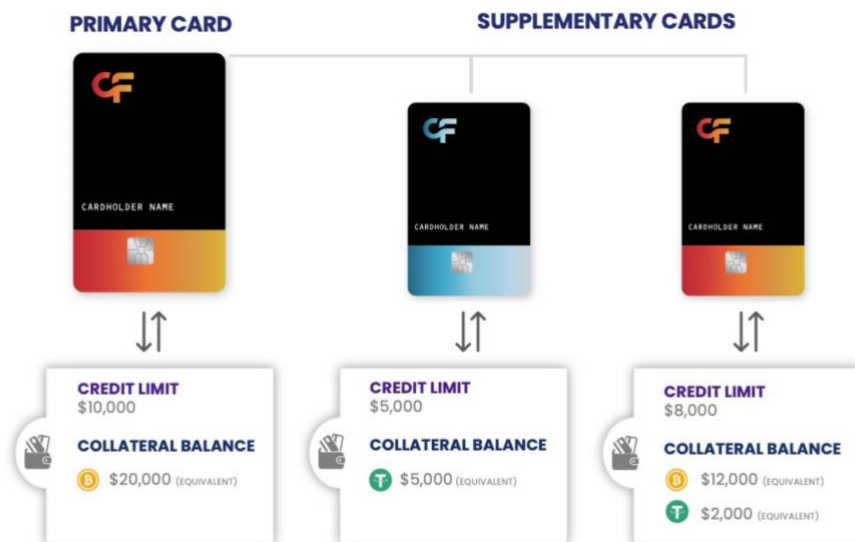
<sup>1</sup> Additional upgrade fees apply for additional cards when the supplementary card tier is higher than the membership tier.

## Multiple cards and access to a line of credit

Each card requires its own wallet, credit limit, and collateral balance.

In this example, a single account holds a Gold tier primary card with a \$10,000 credit limit, and a collateral wallet funded with \$20,000 of BTC. Two supplementary cards are added to the account:

- Silver tier card with a \$5,000 credit limit (with \$5,000 of USDT used as collateral)
- Gold tier card with a \$8,000 credit limit (with \$12,000 of BTC and \$2,000 of USDT used as collateral)

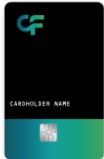
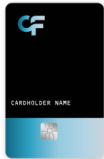
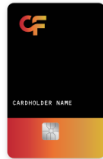




## Supplementary card interest rates and benefits

In the Connect Financial ecosystem, some benefits are attached to the membership tier, while other benefits are attached to the card.

### Credit card related membership tier benefits








Your **membership tier** sets the interest rate and your cashback rate for the entire account:

					
Membership level	BASIC	SILVER	GOLD	PLATINUM	BLACK
Membership level CNFI required (USD equivalent)	0	\$1,500	\$7,500	\$50,000	\$250,000
Interest rate across all cards on the account	14.9%	12.90%	10.90%	8.90%	7.90%
Cashback rewards (Paid in CNFI on eligible purchases)	0%	Up to 2%	Up to 3%	Up to 4%	Up to 5%

## Supplementary card benefits

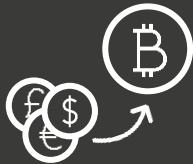
Each supplementary card holds its own benefits, depending on the tier:



ELIGIBLE ACCOUNT TIER	BASIC	SILVER	GOLD	PLATINUM	BLACK
Supplementary card CNFI required <sup>1</sup> (\$USD equivalent)	-	USD \$375	USD \$1,875	USD \$12,500	USD \$62,500
Monthly ATM Withdraw limits without fees	\$0	\$2,000	\$5,000	\$10,000	\$20,000
Transaction insurance	\$250	\$1,000	\$2,500	\$5,000	\$5,000
Metal cards	→	→	→		
Concierge	→	→	→		
Hotel perks	→	→	→		
Lounge pass	→	→	→	→	

# 3. Trading

The Connect Financial ecosystem allows users to buy, sell and trade crypto assets and manage fiat currency from within the platform.



## Buy

The platform offers a convenient crypto on-ramp for users.

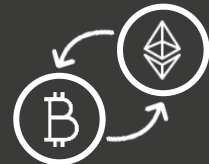
Wallets are able to be funded in a variety of ways including SWIFT, SEPA, Wire transfer, ACH and INTERAC.



## Sell

Users are able to sell a number of cryptocurrency coins and stablecoins into fiat currency.

Funds are then able to be sent to verified bank accounts via a number of familiar methods for a nominal fee.



## Trade

Users can trade between major coins and ERC20 tokens without needing to leave the Connect Financial ecosystem.

Connect Financial is a full service exchange with competitive trading rates



# Trading fees

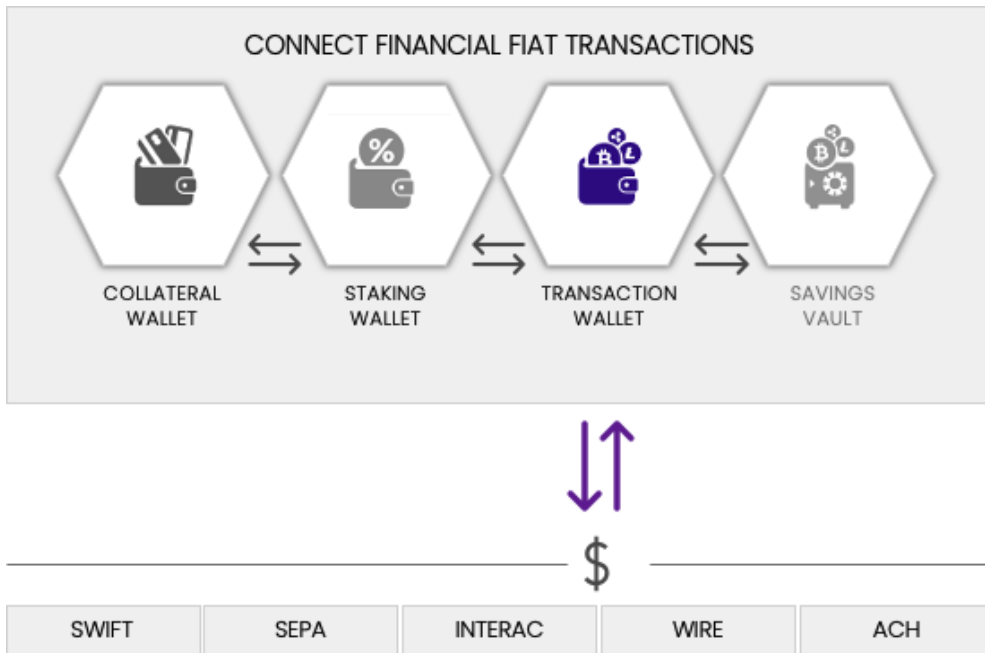
There is a flat fee for buying, selling and trading crypto, depending on your membership tier.



ACCOUNT TIER	BASIC	SILVER	GOLD	PLATINUM	BLACK
Buy fee (fiat to crypto)	1.50%	1.30%	1%	0.75%	0.50%
Sell fee (crypto to fiat)	1.50%	1.30%	1%	0.75%	0.50%
Trade fee (crypto to crypto)	1.50%	1.30%	1%	0.75%	0.50%

# Managing fiat currency

Connect Financial accounts may be provisioned with IBAN bank accounts. This provides a convenient crypto on-ramp for users, the ability to sell crypto and withdraw fiat currency, and allows users to fund and store fiat currency in collateral, general or interest earning wallets.



## Funding and withdrawing fiat

Fiat currency can be added to a wallet and withdrawn using a variety of methods:

WITHDRAWAL METHOD	TIME FRAME*
SWIFT transfer	<2 business days
SEPA transfer	<2 business days
Wire transfer	3-5 business days
ACH (US banks)	3-5 business days
INTERAC (Canadian banks)	<1 business day

Withdrawal and deposit fees are calculated dynamically depending on the transaction amount, method used and the banking jurisdiction of the account.

### Account verification

Connect Financial is a registered money services business and is required to be fully compliant with current Anti Money Laundering and Counter Financing of Terrorism (AML-CFT) regulations.

As part of our AML-CTF obligations, users are required to submit identity documents as part of the Know Your Customer (KYC) process for transactions over certain thresholds. Bank accounts may require additional verification, depending on the nature and amount of the transaction.

## OTC Desk trading

Through our over-the-counter (OTC) services, we provide tailored services for businesses and high net-worth individuals who want a discreet platform to trade large orders.

OTC trades are conducted off of Connect Financial's retail buy, sell, and exchange platform and are typically done on an individual basis depending on order size and account history.

The Connect Financial OTC desk is open for trades 24/7 and is available in most jurisdictions. In addition to consultations and trade executions, we provide daily trade recaps, market summaries, trade reporting, expert opinions, and additional insights from our expert desk members.

Our desk members are seasoned professionals in both fintech and international banking, and customers can leverage their expertise for better trades every single day.

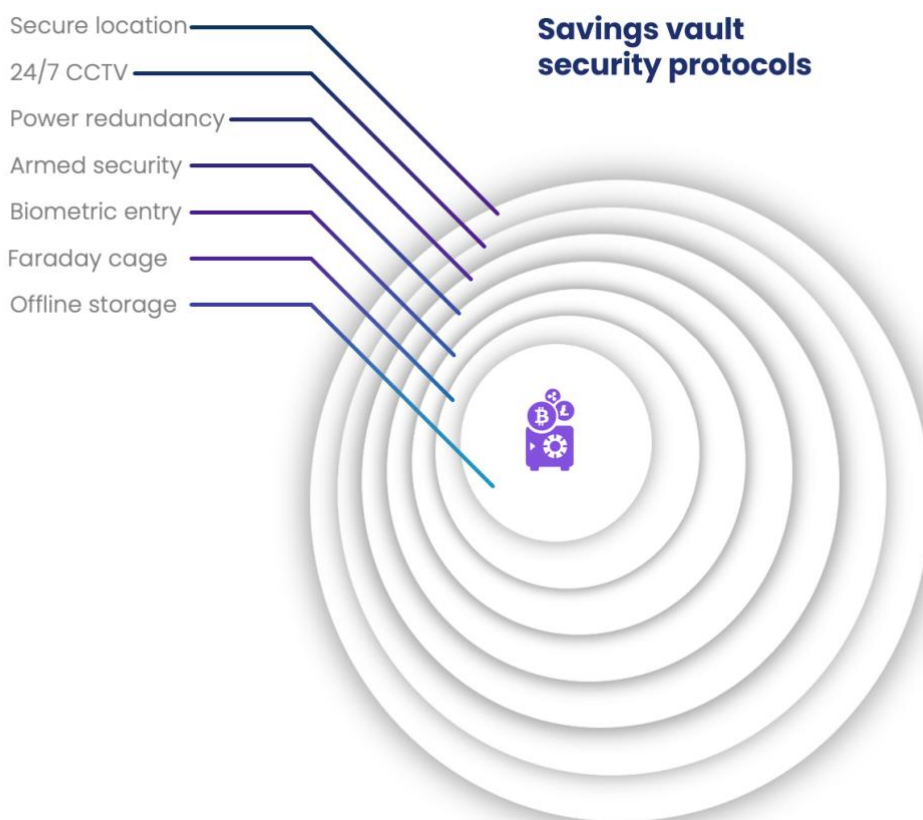
OTC trading is provided on application. For more information about this service contact [otc@connect.financial](mailto:otc@connect.financial)

## 4. Savings vault

Using digital assets as collateral or as a vehicle for earning interest may not cover everyone's financial goals. For additional security and peace of mind, you can elect to store your coins in a custodial savings vault.

### Secure and insured

Balances held in savings vaults are held in a highly secure offline storage facility with layered security protocols:



Savings vault balances are eligible to be insured up to \$100M. Insurance is secured by Lloyd's of London.

A nominal insurance premium is charged to your account, depending on the balance carried. In addition, you can request a customized insurance quote for large balances by speaking to a Vault Concierge.

### Access to savings vault balances

Withdrawing some or all of a vault balance is a manual process that takes up to 72 hours. You will need to go through an authentication process that includes a video call and verification of a secret phrase in order to withdraw assets. Once confirmed, an account manager physically accesses the vault, downloads the required balance and sends it to your nominated address.

Due to the labor intensive process involved in withdrawing assets, the savings vault has a limit of one withdrawal per three month period. Additional or expedited withdrawals incur additional fees.



# Security

Connect Financial provides enterprise-level security, on par or better than major financial firms.

Along with the inherent security advantages of blockchain technology, we employ a range of industry leading protocols to safeguard our users' personal information, assets and privacy.



## MPC

Multi-Party Computation (MPC) ensures that keys are never held by a single entity, significantly increasing resistance to hacks while still retaining the convenience of instant access to the underlying assets.



## OAuth 2.0

Users can create an account using existing credentials and leverage the inbuilt security features of their Google account, without needing to share their login credentials.



## Monitoring

Connect Financial works with the veteran security firms that employ both automated and manual transaction monitoring to identify suspicious or fraudulent transactions on the network.



## 2FA

Users are encouraged to enable Two-Factor Authentication (2FA) on their account. 2FA requires users to provide additional verification on all significant account updates and transactions.



## IT/IS

We employ a secure-by-design approach to software development. Every layer of our software is designed with the principle of least privilege, secure architecture and rigorous penetration testing.



## PCI-DSS L1

All aspects of the card program meet or exceeds the strictest requirements. Our card partner is a PCI-DSS Level 1 accredited issuer — the highest standard for data security in the payment card industry.



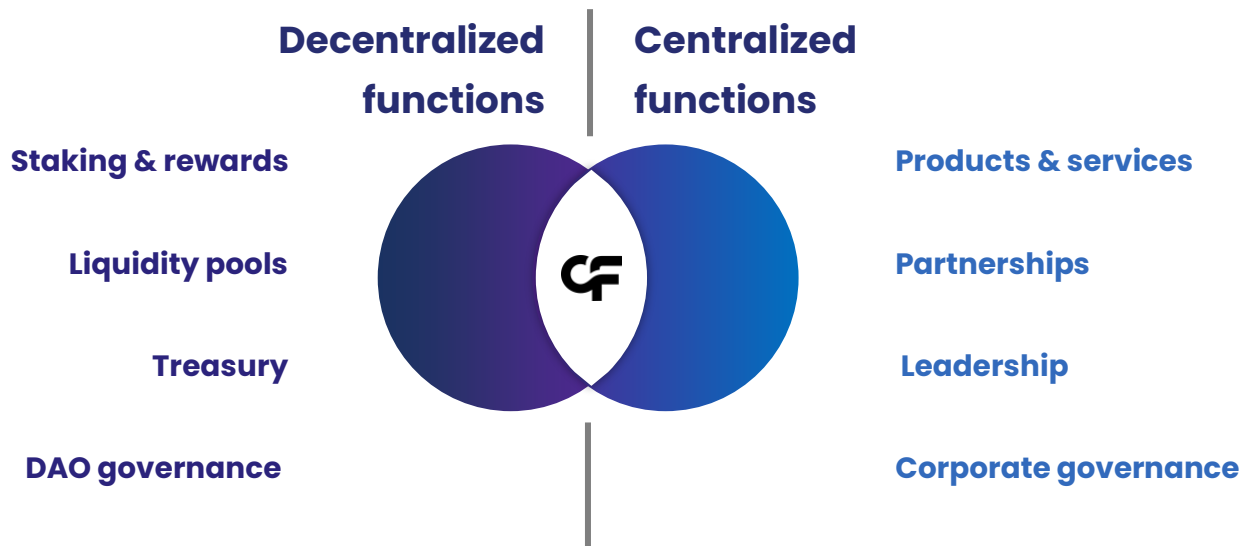
CHAPTER 4

# DeFi

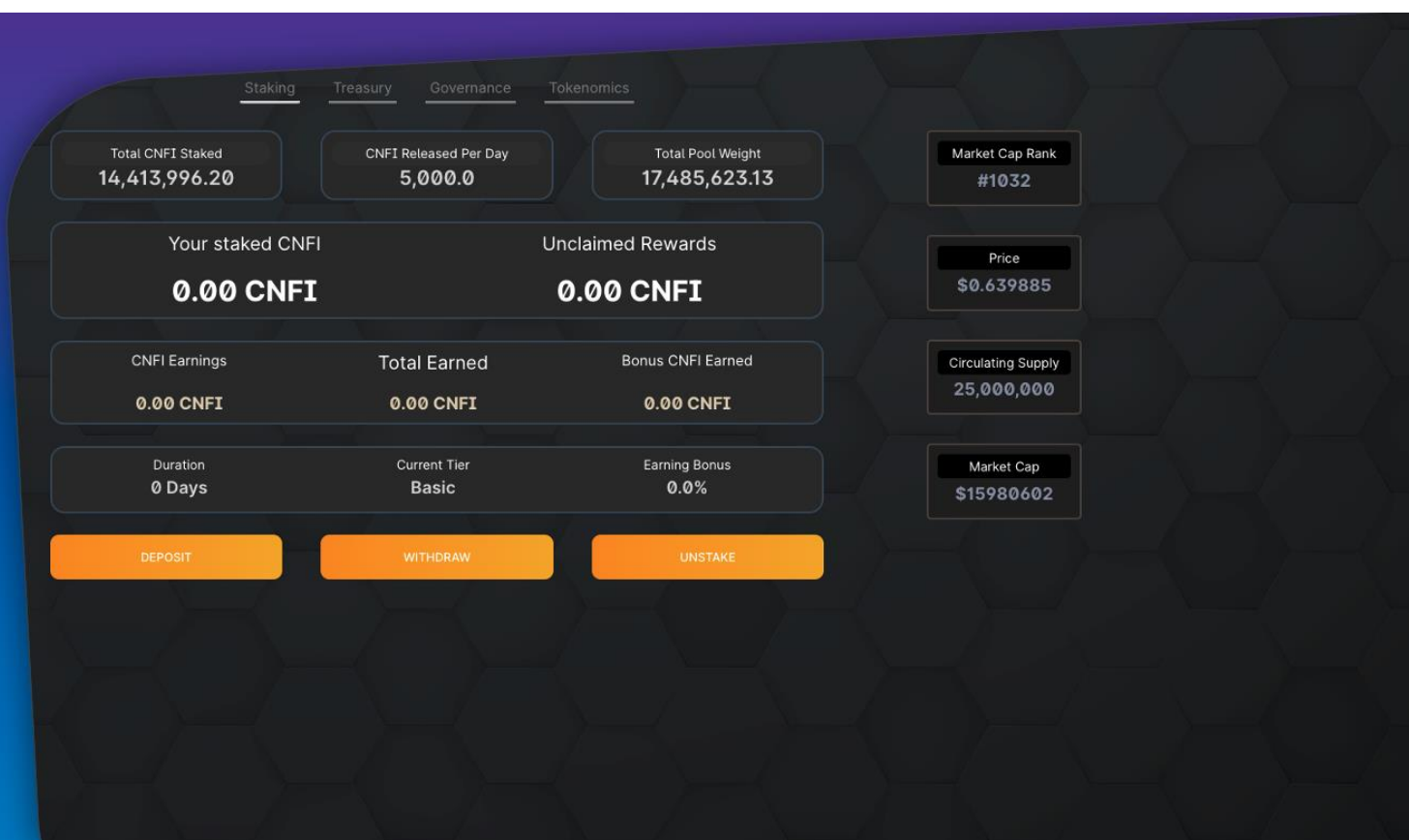
# Connecting DeFi and TradFi

Connect Financial's products and services are centralized – Connect Financial is licensed by Canada's FINTRAC as an accredited Money Services Business entity.

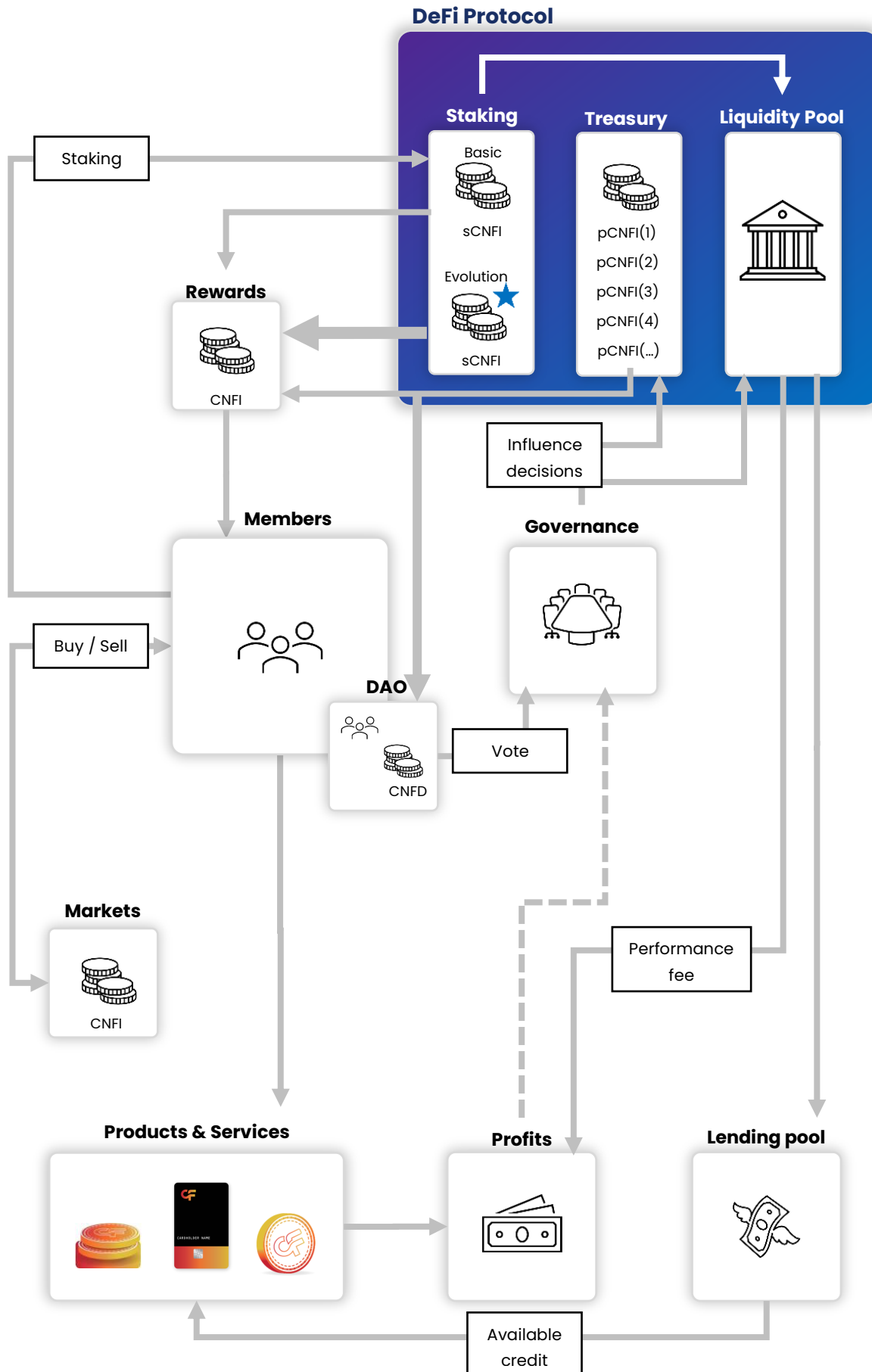
To support the core business, Connect Financial interacts with DeFi protocols built on an ever-growing list of blockchains to generate revenue which rewards token stakers and DAO participants.



Some (but not all) of Connect Financial's products require interaction with the DeFi platform, and the decentralized functions can be used independently of the centralized services if that meets the user's goals.



# System overview



# Staking CNFI (sCNFI)

When you commit your CNFI tokens on the client portal or in the DeFi portal, your tokens are swapped for sCNFI, indicating that they have been staked.

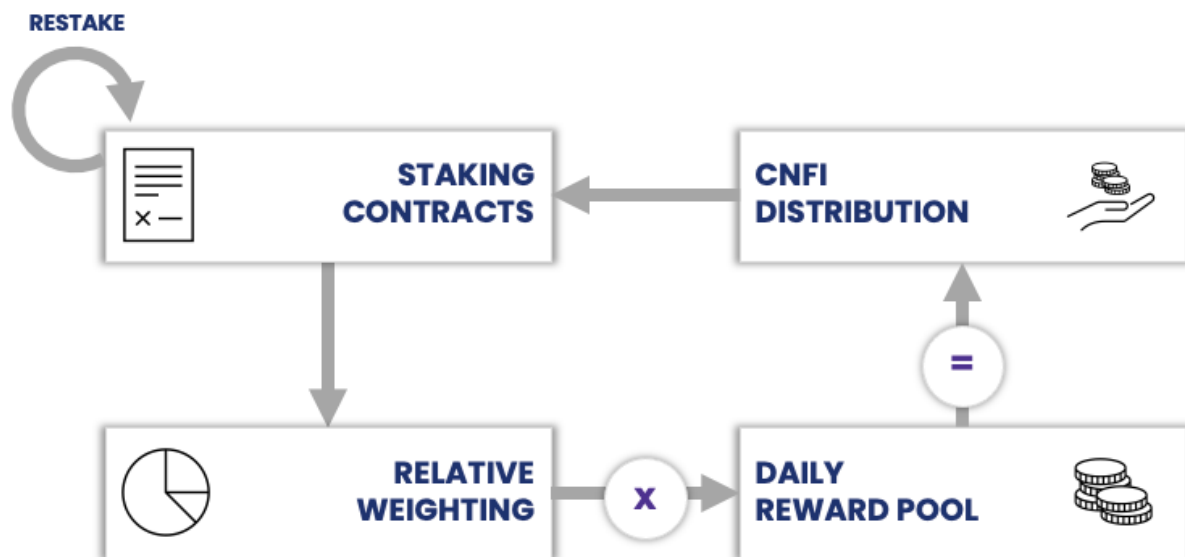
As discussed in section 2 of this paper, staked CNFI are required to access account benefits including fee-free higher card tiers, more rewards and lower trading fees. In addition to these benefits, users also passively accrue rewards, paid out in CNFI or pCNFI.

When you stake CNFI, you can choose from one of two options:

## Basic staking

As discussed, to activate a credit card, or access membership benefits, you are required to stake CNFI. Basic staking does not commit you to a time lockup, and staked tokens can be withdrawn at any time.

As well as becoming eligible for premium credit cards and account bonuses, you can also earn additional CNFI just by staking. There is a daily release of CNFI tokens defined by the current project stage. These released tokens are awarded to staking users proportionally based on their CNFI commitment.



For example, if there are 1,000,000 CNFI staked in the daily pool and you staked 20,000 CNFI, then your weight is  $20,000/1,000,000$ , or 2% of the daily pool.

If the daily reward allotment is 5,000, then you will earn 100 bonus CNFI every day.

## Evolution staking

If you choose to commit tokens for a set amount of time, you can earn an additional evolution bonus depending on your membership tier. Evolution bonuses increase your share of the daily reward pool. Staking rewards may be withdrawn as CNFI, or restaked as sCNFI.



MEMBERSHIP TIER	BASIC	SILVER	GOLD	PLATINUM	BLACK
Membership level CNFI required (USD equivalent)	0	\$1,500	\$7,500	\$50,000	\$250,000
Evolution bonus	0%	15%	25%	30%	40%
Required commitment	0	12 months	24 months	36 months	48 months

Users that participate in an evolution stake also become eligible to receive a fractional amount of pCNFI(n); an additional treasury token based on the performance of the company over the previous epoch.

## Unstaking penalties

You can choose to unstake your sCNFI at any time. However, if you choose to unstake before your staking period has been completed, there may be penalties, and you may lose account level benefits.

There are two potential impacts for unstaking sCNFI:

- Membership tier**  
 You need to maintain the staking requirement in order to keep your account benefits. If the amount of sCNFI drops below the required staking level, your card tier, credit limit, benefits and fees may all be impacted.
- Evolution Stakes (time locked)** - An additional penalty of 2x total CNFI bonuses earned over the staking period will be incurred.

For example, Jane locks in 5,000 tokens for 12 months to earn a 15% evolution bonus on January 1. Over the next six months she earns 100 bonus CNFI. On July 30, she chooses to unstake all of her tokens. She incurs a penalty of 200 CNFI for early unstaking.

# Governance & governance token (CNFD)

The DAO ensures that rules are maintained on the blockchain and handles all DeFi aspects of Connect Financial. The DAO is responsible for setting Treasury Policies that govern the tokenomics and utilisation of the decentralized portions of the project.

Examples include:

- Control of distribution or release of new tokens,
- Approving the allotment of tokens for staking rewards or other future programs,
- Setting the value of pCNFI tokens, based on the performance of the previous epoch.
- Controlling the interest rates and performance fees.

Platform changes may be introduced outside of the governance of the DAO due to product performance, market shifts, government regulations, and other external factors, just as in any other financial organization. In addition, business rules, partnership agreements and business-sensitive IP will not be released publicly.

Proposals and voting will be located on [snapshot.org](https://snapshot.org)

## Governance token

To participate and vote in the DAO, users must hold CNFD governance tokens. Voting weight is dependent on the number of CNFD tokens the user holds. Voting may be delegated.

Members of the DAO may be eligible for additional rewards in the form of pCNFI in exchange for their contribution to the growth of the program.

As of Q4 2021, all community CNFD tokens have been issued. Further CNFD releases may, in turn, be released by the DAO.

# Treasury & treasury token (pCNFI)

The Treasury is the public-facing accounting of the tokenomics for Connect Financial. The primary accounting is for the distribution and allocation of all CNFI tokens.

The Treasury influences some of the physical and traditional products related to the program, such as borrowing from the credit pools, and interest on assets under custody. The Treasury also maintains the token supply ledger and the allocation of tokens for certain activities, such as the staking rewards.

The DAO and the Treasury work together to introduce new initiatives, support users and provide transparency. Consider this example:

1. The community wants to offer an annual charitable grant of 10,000 CNFI.
2. The DAO votes on proposals.
3. If passed by the weighted vote of DAO members, the proposal is carried out via smart contract.
4. The DAO informs the Treasury that they need 10,000 CNFI annually for the grant.



## Treasury rewards (pCNFI)

pCNFI is a quarterly issued treasury token that can be redeemed or kept in the pool at the end of each quarter. The treasury token is primarily distributed to the DAO, however all users that stake CNFI passively accrue a fractional amount of pCNFI.

The performance of the Connect Protocols are mainly tied into the credit pools that serve our card members; the interest paid on these lines is charged a performance fee by the protocol first, then paid out to the individual pool contributors. The performance fee or other revenue is then applied to the vault strategies to further enhance the value of the Treasury.

At the end of each quarter, the DAO will assign a total performance value to that epoch's pCNFI which will then be redeemable by the pCNFI holders for either face value, or can be kept in the Treasury to compound on itself as its base value is left in the pool to earn more over time.

pCNFI is tradeable, assignable or sellable much like any other ERC20 token.





# 5

CHAPTER 5

# Company

# Our team

## Founding team

Connect Financial was founded by a veteran of the crypto and traditional finance space, with extensive experience in international banking, credit services, precious metals, investment banking & consumer lending.

At this stage in our development, the founder has elected to stay pseudo-anonymous in order to preserve the privacy and security requirements of key partnership agreements. In addition, the founder has elected to remain behind the scenes in order to create separation from their own extensive history as a corporate executive within the financial industry.

Other members from the core team will be announced as part of the go-to-market plan.

To interact with the team, join us on [Telegram](#) or the [Discord](#) server.

## Affiliate program

We know that a key to growth is how we reinvest in our community. The Referral Program is designed to reward everyday users who share Connect Financial with friends and family. Every user can use the referral link under their profile page to earn from their network participating in the ecosystem.



Card tier	BASIC	SILVER	GOLD	PLATINUM	BLACK
Reward for referrer*	\$25	\$25	\$35	\$50	\$50
Reward for new user*	\$25	\$25	\$35	\$50	\$50
Required cumulative card usage	\$2,500	\$2,500	\$3,000	\$5,000	\$5,000

\* Rewards paid in CNFI tokens

# Referral program

Active referrers can boost their referral bonuses by joining the affiliate program. Verified affiliates earn additional residual compensation depending on their level:

	<b>Connect advocate</b>	<b>Connect crusader</b>	<b>Connect evangelist</b>
Eligible referrals required	35	75	200
Transaction residual % <sup>^</sup>	0.025bps	0.05bps	0.1 bps
Transaction residuals per \$10,000 <sup>^</sup>	\$2.50	\$5.00	\$10.00

<sup>^</sup> Cumulative transaction spend across all eligible referrals

# References

[1] Board of Governors of the Federal Reserve System. "Report on the Economic Well-Being of U.S. Households in 2019—May 2020."

# Further reading

## News releases

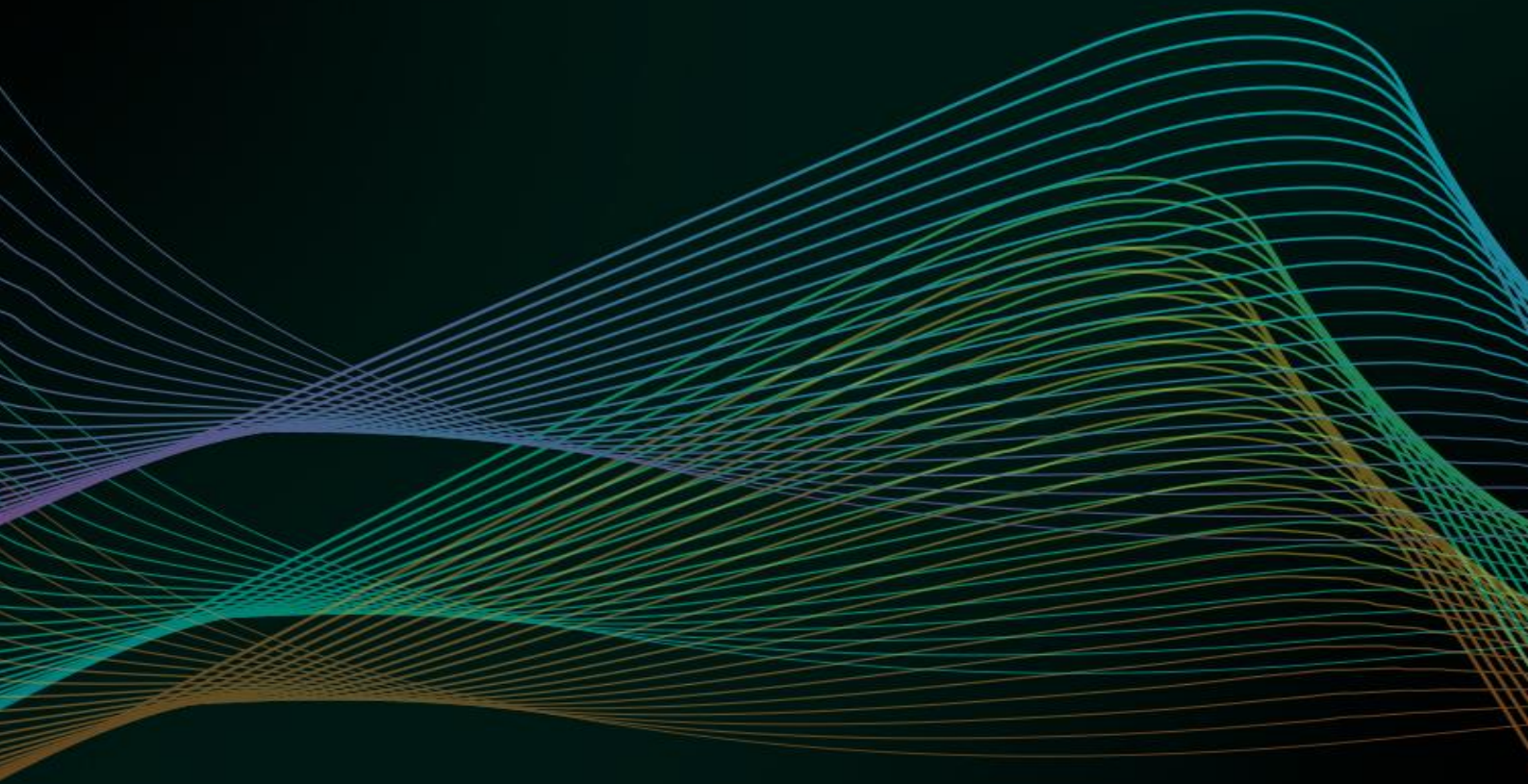
- [Connect Financial Acquires MSB License with Canada's Financial Transactions and Reports Analysis Centre \(FINTRAC\)](#) | PR Newswire | Apr 06, 2021
- [Connect Financial Launches New Brand Identity and Website](#) | AP News | October 27, 2021
- [Connect Financial Announces the Launch of the First Crypto Credit Card](#) | Yahoo!Finance | May 21, 2021
- [Connect Financial Introduces the Cardano Credit Card](#) | ADA Pulse | October 21, 2021
- [The Axion Card - Connect Financial](#) | Axion Support

# Changelog

Version	Date	Changelog
1.2	21 Feb 2022	<ul style="list-style-type: none"><li>• Updated information related to supplementary cards.</li><li>• Update information about availability of Earn wallets</li><li>• Added changelog</li></ul>
1.3	15 Apr 2022	<ul style="list-style-type: none"><li>• Removal of partner branding</li></ul>
1.5	19 May 2022	<ul style="list-style-type: none"><li>• Addition of entertainment credits</li></ul>

# CONNECT

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